AN URGENT CALL TO ACTION

report and recommendations of the
JOBS FOR THE FUTURE COMMITTEE

january 2004

ALBERTA
ECONOMIC DEVELOPMENT AUTHORITY

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Disclaimer: This study was commissioned for discussion purposes only and does not necessarily reflect official positions of the Alberta Economic Development Authority or the Government of Alberta.

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Note: The Jobs for the Future Committee changed its name to the Labour Force Committee in January 2004.

Executive summary

Alberta has a strong and increasingly diverse economy. Over the past five years, we have consistently been a national and international leader in economic growth. The potential for the future is enormous, and forecasters suggest that Alberta has the potential to not only lead the rest of Canada in economic growth but also to become an international powerhouse.

The potential is there. But there is one very serious risk to fulfilling the potential for Alberta's economic future. And that's a current and growing shortage of highly skilled people to fuel the economy and fill the jobs industry so desperately needs to keep their businesses going and Alberta's economy growing. Simply put, we can't achieve the full potential of Alberta's economy if we don't have the people to do the work, fill the jobs, create new ideas and innovations, build the businesses, and drive the economy.

Alberta's shortages of skilled labour are a serious problem today and all indications are that those shortages will become even more acute in the future. Alberta is not alone. Across Canada and around the world, many provinces, states and countries are facing similar challenges in attracting and keeping the highly skilled people they need.

The Jobs for the Future Committee of the Alberta Economic Development Authority sees this as one of the most pressing issues in Alberta's economy today, and that's why this report is called An Urgent Call to Action. There have been numerous studies and reports before on how to address the problem, increase Alberta's supply of skilled workers, and make sure there is the right supply of people with the right mix of skills to meet the needs of Alberta's economy. Government, industry, and education institutions agree that this is a problem and there have been several policy documents, directions, goals and targets set, including those set out in Alberta's economic development strategy – Get Ready Alberta.

In spite of this almost universal acceptance that we have a problem and something needs to be done, the reality is that shortages continue. Studies suggest that as many as 38,000 jobs in small and medium sized Alberta companies were unfilled simply because there weren't the qualified people needed to do the job. Across Canada, the Conference Board of Canada forecasts that there could be a shortage of one million skilled workers by 2020 if the current trends continue. Equally disturbing is the fact that the projected shortages are not limited to only specific sectors of the economy. While people may have heard about acute shortages in the construction industry or in the health system, in fact, all sectors of the economy are facing current or potential shortages. Furthermore, in spite of the shortages, there are groups of Albertans that continue to be under- or unemployed and lack the education and skills to play a productive role in Alberta's economy.

The goal should be nothing less than the most highly skilled workforce in the world. Alberta's young people must have the opportunities they need to pursue post-secondary education and achieve their full potential. People in the workforce today need opportunities to keep learning, expanding and diversifying their skills. We need better information about the future of Alberta's economy and where the most pressing shortages will be so that people can make informed career choices. We need innovative, flexible and responsive post-secondary programs so that people can get the skills, training and education they need. Industry needs to step up its own investment in training and continuous development. And as a province, we need a clear commitment to lifelong learning as the best way of building Alberta's economy and sustaining the quality of life Albertans expect and deserve.

While this report contains a number of specific recommendations, first priority should be placed on:

- Increasing the number of students who graduate from high school and go on to post-secondary education
- Using innovative approaches to improve access to post-secondary education including targeted funding for priority areas, a centralized admissions process, flexible program delivery, expanded recognition of prior learning and experience, increased scholarships and bursaries, and the possibility of tax-based approaches
- Ensuring that Aboriginal people have the education and skills to participate fully in Alberta's workforce
- Expanding business and industry investment in continuous learning and upgrading for their employees
- Establishing a longer term labour force strategy to provide timely information and plan ahead rather than simply reacting to labour force shortages when they occur.

Taking action on these recommendations should be seen as an investment in Alberta's most vital resource – our people. If we want to sustain a strong and vibrant economy, if we want to sustain our health and education systems and preserve our quality of life, it is essential that we develop a highly skilled and entrepreneurial workforce that can compete with the best in the world.

The focus of this report is on action – moving beyond broad goals and strategies to tangible actions that can be taken and targets that must be achieved. The Committee calls on government, education, industry and business leaders to address this call to action on an urgent basis and work together to achieve the best results.

The overall goal should be nothing short of the most highly skilled workforce in the world.

A growing economy puts pressure on Alberta's workforce

Highlights of Alberta's labour market:

- Since 1996, employment in Alberta has grown by 16% for a total of 223,700 more jobs.
- In 2000-01, over a quarter of Canada's employment growth happened in Alberta. Close to 44,000 new jobs were created in 2000-01.
- Just over 72% of Alberta's working age population was either employed or actively looking for work in 2001, the highest of all provinces. The vast majority of people – more than 80% - are employed in full time positions.
- From 2000 to 2001, the greatest increases in employment were in mining and oil and gas extraction followed by professional, scientific and technical services, and construction. There were decreases in employment in agriculture, retail trade, and management, administrative and other support. If we look at growth by occupations, the largest growth in 2001 was in the category of social science, education, government and religion, followed by processing, manufacturing and utilities occupations, then sales and service.
- Alberta also had the lowest unemployment rate among youth in 2001.

Over the past ten years, Alberta has had the strongest economy in Canada with an average real rate of growth of 4.5% a year. Not surprisingly, while the economy was growing, more and more Albertans were employed in the workforce and unemployment dropped from just under 7% in 1996 to 4.6% in 2001. Since then, there has been a slight increase in the unemployment rate but the latest figures for January 2003 show that the rate now stands at 5.5%, the second lowest rate in the country and considerably lower than the national average of 7.4%.

While increases in jobs created in the province and the downward trend for unemployment are good news, the result is a growing strain on Alberta's supply of skilled workers. When the unemployment rate moves below 5%, the labour market is considered tight. Other indicators of a tight labour market include unfilled job openings and pressure on wages. From 1999 to 2000, the help wanted index increased by about 25% and average weekly earnings increased by 3.7% between 1999 and 2000.[1]

There are other signs of a tight labour market. A survey by the Canadian Federation of Independent Business in 2002 found that 7% or 38,000 jobs in Alberta were reported as vacant and over 5% or 28,000 of those jobs had been vacant for more than four months.

[1] Government of Alberta. *Prepared for Growth: Building Alberta's Labour Supply*, October 2001. p. 2

A 2001 survey by the Canadian Federation of Independent Business also found that 55% of Alberta businesses considered a shortage of qualified labour a serious problem. Those results are echoed by the Conference Board of Canada which suggests the shortage of skilled workers across Canada could grow to one million by 2020 unless fundamental changes are made in education and training.

Of critical concern is the fact that shortages are not isolated to particular sectors of the economy or to specific occupations. As indicated in the Government of Alberta's report, *Prepared for Growth: Building Alberta's Labour Supply*, "Labour shortages have been apparent for a while in some occupations, particularly in the information and communications technology and health care industries. What is new is that shortages are now occurring across a broad range of industries and occupations."[2] While overall unemployment stands at about 5% across all occupations, for groups such as nurses and nurse supervisors, the unemployment rate is as low as 0.3%. In selected other occupations such as finance and insurance, contractors in trades and transportation, professions in business and finance, occupations in protective services (e.g. police and fire), barbers, hairstylists, butchers, bakers and professional occupations in the sciences, unemployment is at or below 2%. From 1993 to 2000, the biggest growth in employment was in trades (54.8%) followed by construction (46.1%), manufacturing (45.5%), professional, scientific and technical services (41.9%), and transportation and utilities (34.2%).[3]

The Conference Board of Canada suggests the shortage of skilled workers across Canada could grow to one million by 2020 unless fundamental changes are made in education and training.

How well is Alberta prepared for the challenges of a tight labour market? Basically, there are three sources of people to meet the needs of Alberta's economy:

- Albertans, including graduates from Alberta's schools and post-secondary institutions, people who are already employed and may need skills upgrading, and people who are under- or unemployed but have potential for entering the workforce
- People from other provinces who are interested in moving to Alberta for job opportunities
- People from other countries who immigrate to Canada both for jobs and for a better way of life.

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[2] Ibid p. 4

[3] Ibid p. 4

In terms of Albertans, consider these facts:

- Enrolment in Alberta's post-secondary institutions continues to increase. In 2001-02, the full load equivalent enrolment in all post-secondary institutions increased to 128,129 compared to 100,583 in 1991-92.

- Although Alberta has 10% of the Canadian population, the province trains over 20% of the country's apprentices. Apprenticeship registration in Alberta grew by 63% between 1995 and the end of December 2002.

- In 2001, over 59% of Albertans aged 25 – 34 had completed post-secondary education and 90% had completed high school.

- An April 2001 survey for Alberta Learning indicated that more than half (54%) of recent high school graduates were enrolled either full time (46%) or part time (7%) in a post-secondary education institution or an apprenticeship training program. Among those enrolled full time, 49% were enrolled in degree-granting institutions, 42% in public colleges or technical institutes, 5% in other types of institutions (e.g. religious institutions or private vocational schools), 4% in institutions outside Alberta, and 1% in apprenticeship training programs.

- The same study indicated that the vast majority (94%) of recent high school graduates attending post-secondary institutions decided to enroll because they believed it would improve their chances of getting a job. Almost nine in ten decided to continue their learning to achieve greater earning potential in the future or because the type of job they want requires it.

- More than half of those who were not currently enrolled in post-secondary learning decided not to attend because they had not yet decided what to pursue or because they needed a break from school. 44% indicated that tuition and other fees were too high, 40% said they did not have enough money, 29% said they did not want to go into debt, and 26% perceived the costs of living away from home too high. Almost all of these respondents indicated they would pursue post-secondary studies sometime in the future.

- In terms of barriers to post-secondary education, seven in ten survey respondents agreed that the total cost of post-secondary education can act as a barrier. Less common perceived barriers included the lack of information about employment opportunities for post-secondary graduates, the location of post-secondary institutions, a lack of information about post-secondary education in general, and dislike of the school environment.

- While overall participation in post-secondary education has increased over the past ten years, Alberta's participation rates in undergraduate programs are significantly lower than the Canadian average.

- Between 1991 and 2001, employment increased by 55.7% for people with university degrees and by 56.1% for those with post-secondary diplomas or certificates, while employment for those with less than a high school education decreased by 13%.

- Alberta's workforce is aging. For example, 60% of Alberta's teachers will be eligible to retire within the next 15 years. Over 10% of Canada's doctors are over the age of 65. The average age of Alberta's nurses is 43 years and close to 30% of them are over 50.[4] And the average age of tradespeople is 41.

- An estimated 30 – 40% of Albertans are disadvantaged in one way or another when it comes to participating in the workforce.[5] That includes Aboriginal peoples, immigrants, visible minorities, disabled people, people with low income, and single parents.

- About 6% of Alberta's population is Aboriginal. Between 1991 and 1996, the percentage of Alberta's Aboriginal population aged 15 and over engaged in post-secondary education increased from 38% to 43.4%. Those with a trade certificate increased from 3% to 3.5% and those with a university bachelor's degree or higher increased from 3.7% to 4.1%. In spite of those positive trends, in 1996, the unemployment rate for Aboriginal people was 21% - over three times as high as the non-Aboriginal rate.

In addition to filling the gaps in employment with Albertans, the province continues to attract Canadians from other provinces.

- The movement of Canadians from province to province fluctuates with economic conditions in Alberta and in the rest of the country. Net interprovincial migration to Alberta peaked at around 40,000 in 1998, the highest level in the country. It declined to 25,056 in 2000 but has increased since then.

- From July 2001 to June 2002, a net of 26,740 people came to Alberta from other provinces, almost 18,000 more than second place Ontario.

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[4] Premier's Advisory Council on Health. A Framework for Reform, December 2001, p. 32

[5] Presentation from the College of Alberta School Superintendents, August 2, 2000

Immigration also plays a role in meeting the needs of Alberta's labour market.

- Immigration to Alberta peaked in the early 1990s and then leveled off at between 11,000 and 14,000 per year from 1996 to 2000. In 2001, 16,394 immigrants moved to Alberta.

- Immigrants coming to Alberta are highly skilled – 40% of working age immigrants arriving in 2000 held a university degree.[6]

- In spite of their education and training, many immigrants face challenges in having their credentials recognized in Canada and are therefore unable to use their education and training in Alberta.

[6] Government of Alberta. *Prepared for Growth: Building Alberta's Labour Supply*, October 2001, p. 7

Changes are expected in Alberta's economic future

It's important to begin with a clear understanding of what the future might hold for Alberta's economy. Clearly, Alberta's economy is not isolated from national and international trends and events, and much will depend on factors such as oil and gas prices, the impact of Kyoto, world events and the possibility of further turmoil in the Middle East, and future growth in the United States economy.

Around the world, global economies are changing. Competitive economies are shifting from industrial models that emphasize capital, machinery and natural resources to knowledge-based models where innovation, technology, entrepreneurship and sustainability are keys to success. World trade is increasingly moving away from commodities to value-added manufacturing and services. Increased competition demands quick responses and a highly skilled and innovative workforce. Information technology will continue to be a dominant force, allowing almost instant communication and information flows and opening up business opportunities regardless of location. The increasing interconnectedness of business, markets, and world events means that economic and social events and trends in other countries influence what happens not only in their own region, but around the world.

There also are a number of challenges facing Alberta's economy. While the world economy is changing, Alberta's economy still depends very much on natural resources and exporting commodities. Other jurisdictions are catching up to our low tax advantage and the days of depending heavily on natural resources may be winding down. As noted earlier, Alberta has a tight labour market for workers, including highly skilled knowledge workers. Post-secondary education will be increasingly critical to build the kind of workforce Alberta needs in a changing economy. Innovation, research and development will be increasingly important in the future yet, compared with other provinces, Alberta industry invests significantly less than the Canadian average in research and development.

Forecasts suggest that the energy industry will continue to be a driving force in our economy; however, reports such as the Alberta Financial Review Commission suggest that, "We can't count on resource revenues forever. It's time to plan now for the time when resource revenues decline." Conventional oil production is declining and natural gas production may peak and start to decline as early as 2005. Greenhouse gas emissions and the potential impact of the Kyoto Accord present uncertainties to the future of the energy sector. At the same time, innovation and new technologies are being developed to expand oil sands production, enhance oil recovery, and expand the use of coal bed methane and clean coal technologies. Other areas of Alberta's natural resources such as agriculture and forestry are also facing constraints.

Looking ahead, the future of Alberta's economy lies in moving from primarily a commodity-based economy to a value-added economy. That means moving to a more market-focused, knowledge-intensive, value-added economy across all economic sectors. The report *"Delivering on our potential: A value-added strategy for Alberta"* suggests that, "Over the next ten years and beyond, Alberta must focus on ensuring that new services, products and markets are developed and that Alberta companies are able to compete in an increasingly aggressive global market." It envisions a future value-added economy where:

> "... energy, agriculture, forestry and tourism will continue to be pillars of the Alberta economy and they will become more knowledge intensive. At the same time, the manufacturing and business services sector will mature and contribute more to the economy. Life science, the information and communication technology sector (ICT) and technological innovation will also lead to new and higher value-added products."

Commodity economy	Value-added economy
Emphasis on low cost environment	Culture of innovation
Commodities/raw materials	Value-added products and services
Natural resources	Human resources
Mass production: • Mass market • Low cost • Quantity • Stability • Control	Flexible specialization: • Niche • Knowledge • Quality • Speed • Networks

In a more immediate sense, forecasters suggest that Alberta's economy will continue to perform very well with growth forecasts ranging from 4.1% to 4.8%, reflecting solid growth in exports and investment, non-residential construction, and energy sectors of the economy. Strong growth is also expected in Alberta's service sectors, especially retail trade and finance, insurance and real estate.

Over the next ten years and beyond, Alberta must focus on ensuring that new services, products and markets are developed and that Alberta companies are able to compete in an increasingly aggressive global market.

"Delivering on our potential: A value-added strategy for Alberta"

A growing and changing economy demands a skilled workforce

The impact of projections for strong growth in the economy and an increasing emphasis on value-added sectors of the economy both point to continuing pressure on what is already a very tight job market.

A number of trends are expected to influence the workplace of the future.[7]

- **Globalization and competition**
  As a result of information technology, economies around the world are closely linked and communications and trade can go on 24 hours a day, seven days a week in a highly competitive, multi-media environment. Trade among nations continues to grow, resulting in an interconnected network of countries, organizations, companies and workers. As a result, the work environment is becoming more dynamic, flexible, and ever-changing. Information technology is also making the international marketplace more competitive. Access to information is expanding, consumers have more choice, companies can move people and capital to wherever it is needed almost anywhere in the globe, and new competitors are continually entering the marketplace. As a result, Albertans need international and entrepreneurial skill sets to allow them to compete effectively in a global marketplace.

- **Information and communications technology**
  Information technology is rapidly changing the workplace and new multi-media systems are rapidly evolving. These developments not only make location almost irrelevant, they also open up new opportunities for smaller business to compete and for new options for marketing, learning, training and communications. It also means that employees need different skills, particularly computer skills, and continuous learning to keep pace with changing technology and skills. While the downturn in "dot com" companies has had an impact on the availability of jobs in the computing industry, information and communications technology will continue to have a direct impact on how business is done across all aspects of the marketplace, not just in the computer industry.

[7] Alberta Human Resources and Employment. *Alberta Careers Update 2003*. p. 14 - 16

- **The blurring of workplace location**
  With information technology, location is much less important. As a result, home-based businesses and "officeless" workers are becoming more common. It also has led to explosive growth in distance learning and e-learning. While face-to-face interaction will continue to be critical for many businesses and the shift to team environments will continue, information technology provides flexibility to allow people to work from a variety of locations. There also has been an increase in jobs with non-standard, non-traditional work arrangements such as part-time or casual jobs, virtual teams, temporary or contract work, freelancing, multiple jobs, and job sharing.

- **Employers expecting more of their employees**
  With changing technology and increasing competitiveness, employers expect more than just technical competence from their employees. Business skills, information and communications technology, interpersonal relationship skills, lifelong learning and skills upgrading are becoming more important. Clearly defined roles and responsibilities, structures and hierarchies are being replaced by more emphasis on teamwork, performance and outcomes, speed, shared values, independence and highly decentralized functions.

Future Directions for the Workplace

Characteristics of 21st Century Workers	Characteristics of 21st Century Workplace
• High levels of initiative and imagination • High degree of flexibility • Focus on innovation and creative solutions to problems • Sound business insight • Entrepreneurial nature • Multifunctional • Good communicators • Team players • Willing to learn, to constantly upgrade skills, and willing to accept the reality of increased accountability in the workplace	• Focus on flexibility • Focus on knowledge management and enhancement • More sophisticated technology • Focus on customer service • Enhanced competition • Lifelong learning and continuous improvement of employees • Team focus • Increasing emphasis on productivity • Independent, innovative and accountable staff • More entrepreneurial focus • Emphasis on customizing goods and services • More flexible work patterns – telecommuting, job sharing, part-time work and combo-jobs • Continuing experimentation with new and more effective workplace structures

Taken from: *Alberta Careers Update*, Alberta Human Resources and Employment, 2003

Combined with those more general trends, the most recent *Alberta Careers Update*[5] for 2003 suggests that:

- Employment growth in Alberta will continue, but at a somewhat slower pace. The annual average employment growth rate for the past five years has been 3% but that is expected to decline to 2% for the next few years. A major challenge will be matching the demands of the new workplace and a changing economy with the skills of Alberta's workforce.

- Employment growth will not fit neatly into any one category or industrial sector. Growth is expected in sectors such as resources, manufacturing, services, and information and communications technology, but even within those sectors, there will be strong and weaker areas for growth.

- More education and training will be a key to success and new jobs will favour people who are well qualified.

- Over the next five years, there will be a strong demand for occupations that need university degrees, especially in tourism, nursing, and industrial and electronic engineering. Projections are that over a fifth of all new jobs will go to university graduates.

- Nearly a third of all new jobs will be in occupations requiring post-secondary college, technical and trades training.

- Just over a quarter of all new jobs will be in occupations requiring completion of grade 12, while only about one in ten jobs will require less than a grade 12 education.

The *Alberta Careers Update* also provides detailed projections of projected demand for specific occupational clusters.

Over the next five years, projections suggest that:

- The demand for tradespeople looks robust
- Health care workers will continue to be in high demand
- Engineers in many areas will also be in high demand
- There should be a strong demand for occupations in business, financial advisory and policy services
- Highly trained computer engineers, scientists and technicians will be in demand.

[5] Government of Alberta. *Alberta Careers Update* 2003

The Challenge

Alberta has many of the key ingredients necessary to fuel a growing economy and build a quality of life that is second to none. But the weakest link is our ability to educate, train, attract and retain a sufficient supply of highly skilled people to fuel and sustain continuing growth in the economy. Unless this weak link is addressed and fixed, there is a real possibility that Alberta will not be able to reach its full economic potential.

Currently, there are a number of specific challenges that need to be addressed.

- Alberta needs to dramatically increase its supply of skilled workers to meet the needs of the current economy, which will require post-secondary institutions to continue to increase capacity to meet this demand.

- With a highly competitive marketplace and a continuing emphasis on knowledge and innovation as the cornerstone of successful economies, Alberta needs to increase the number of students that complete post-secondary education at all levels, but especially at the university and post-graduate level. Although tuition in Alberta is generally aligned with that of other provinces and student debt levels are less than in other jurisdictions due to a remission program, maintaining access to post-secondary education for all eligible students chould be a challenge in the future. Post-secondary institutions are also facing serious problems in attracting and retaining the best and most capable faculty members.

- There are serious and looming shortages in many of the trades areas, yet students, parents, and others continue to perceive these jobs as "second rate" or not a viable career option, with little chance of progressing to higher positions, high entry costs, and unstable job prospects.

- With increasing mobility, highly skilled people are able to move wherever they can get the most attractive and highest paying positions. This means Alberta needs to compete to attract and retain highly qualified people to meet the needs of the economy today and in the future. While specific information is not available about the impact of "brain drain," stories continue about talented and highly trained people moving south of the border for more attractive salaries, benefits, and worklife.

- Capital is also highly mobile and business investors look to invest in places with an environment that is conducive to their business. In addition to low taxes, that typically includes the presence of a highly skilled workforce and a positive quality of life. If Alberta is to continue to attract investment to the province, we need to ensure that we have an adequate pool of talented and skilled workers. Simply keeping taxes low is not enough.

- Business and industry understand the importance of lifelong learning and continuous upgrading of skills. Yet across Canada, there is an under-investment in skills development for adult workers compared to our competitors. Canadian companies consistently report lower per capita spending on training than those in the U.S., Europe or Asia. Canada also is only in the middle of the pack among OECD countries when we look at the extent of adult participation in formal on-the-job training.[1]

- Alberta's students perform exceptionally well on national and international tests, particularly in math, science, and language arts. Although by the time they are 25-34, post-secondary attainment is close to the Canadian average, almost half of students who graduate from high school do not go on to post-secondary education right aafter high school. Too many students also drop out of high school before they complete, but then return when they are adults and require upgrading to be able to enter post-seondary education. Counselling services have diminished, particularly in relation to career counselling.

- Recognizing the importance of prior learning and flexible approaches, the province has moved ahead with Campus Alberta, designed to facilitate transferability of credentials and courses among post-secondary institutions. Yet there continue to be cases where programs are not accepted and students are required to "start over." There also is not enough recognition given for prior work experience.

- The Alberta Learning Information Service (ALIS) provides information on careers, learning and employment aimed at junior high students. Other government departments such as Economic Development and Human Resources and Employment provide information on employment and industry trends. Yet, in some cases, sufficient information is not available for both industry and individuals and, in other cases, people are unaware of the information that is

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[1] Zussman, David. "The Skills Agenda: Equipping Canadians to Compete", presented to the Canadian Club of Ottawa, October 16, 2001

available so it is under-utilized. For example, Alberta Learning's survey indicates that only 20% of students were aware of ALIS.

- In spite of good progress in the past, Aboriginal people continue to face significant challenges in completing high school and post-secondary education and achieving the same levels of employment as the non-Aboriginal population.

Starting with goals and principles

Clearly, action is needed to address current and pending labour shortages and ensure that the full potential of Alberta's economy can be reached.

The overall goal should be nothing short of the most highly skilled workforce in the world. Alberta should establish itself as a world-wide leader in education and training. Industry should back-up its commitment to innovation, growth and development by stepping up its investment in its own employees and providing them opportunities to continually upgrade their skills. The education system and post-secondary institutions need to expand their capacity to meet the needs of students and the economy through flexible and responsive approaches. And individual Albertans need to make a strong commitment to lifelong learning as the best way of keeping pace with a rapidly changing marketplace.

With this kind of "investment" in people, Alberta can not only meet the immediate needs of the economy but also position itself as a dynamic place to invest, do business, and build a career.

In keeping with this overall goal and direction, the Committee's recommendations focus on action and are guided by the following principles:

- ***Both short and long term actions are needed to develop and maintain a skilled workforce.***
  While the Committee understands that the problem of shortages in skilled workers cannot be solved overnight, there are pressing problems that need to be addressed and some temporary "quick fixes" may be required. Over the long term, the best approach is to invest in people and ensure there is a sustainable supply of highly skilled Albertans to meet the needs of the economy.

- ***All Albertans should benefit from the Alberta Advantage.***
  For this reason, the Committee has taken an "Alberta First" approach in its recommendations. That does not mean that actions should not be taken to attract skilled workers from other provinces and countries to meet Alberta's short term needs. But it does mean that the first priority should be building a highly qualified workforce of Albertans so they are able to benefit fully from future growth in Alberta's economy.

- ***Recommendations should be practical and mechanisms should be in place to set targets and ensure accountability for the results.***
  The Committee has little interest in lofty ideas that cannot or will not be implemented. The problem is too pressing and immediate action is required.

  Therefore, the Committee's focus is on identifying practical steps that can be taken. Various organizations involved in implementing the recommended actions – particularly government, post-secondary institutions, school boards, business and industry – should be expected to set appropriate targets and to report regularly on the results that are achieved.

Taking action and achieving results

To achieve the goal of the most highly skilled workforce in the world and meet the challenges of a growing economy, a variety of approaches need to be taken. The following sets out a series of recommended actions. For each of these areas, the Committee suggests that government, post-secondary institutions, educators, and representatives of business and industry should work together to set appropriate targets and to report regularly to Albertans on progress in achieving those targets.

Alberta needs an increasingly skilled workforce to meet the needs of an expanding and changing economy, especially as the focus shifts to value-added sectors the economy. It's not good enough for young people to simply complete high school. Some post-secondary education is essential if they want to compete for jobs and begin productive careers.

Recommendation:

Increase both high school completion rates and the percentage of students who go on to post-secondary education.

Specifically, actions should be taken to:

- Increase the number of students who complete high school or its equivalent by the time they are age 20. The Committee is concerned with the number of students who leave high school then return when they are in their 20s and 30s to complete a high school diploma and go on to post-secondary education. Steps should be taken to reduce the gap.

- Increase the percentage of students who go on and successfully complete post-secondary education.

- Ensure that students have access to timely and accurate information on employment opportunities and education and training requirements. The Committee understands that there is limited capacity for career counseling in schools and that students often lack accurate information about post-secondary education and career opportunities. Steps should be taken to build on the current Alberta Learning Information System (ALIS), increase the use of partnerships with industry and post-secondary institutions, use "swat teams" to bring information to

the schools, and explore other approaches such as those used by Careers: The Next Generation.

- Increase the percentage of students who choose to pursue a trade. Promote careers in the trades by targeted actions directed at both students and parents and expand successful approaches such as partnerships, mentorships, and initiatives such as the RAP Program, Career Pathways, and Careers: The Next Generation.

Post-secondary education and training are essential requirements for a changing Alberta economy and to meet the demands of a very tight labour market. Yet space is limited at post-secondary institutions and demands for entry into many programs regularly exceed the supply of spaces for qualified students. Efforts to increase the percentage of students who graduate from high school will put added pressure on the capacity of post-secondary institutions to respond.

Innovative and more flexible approaches are needed to enhance access to post-secondary education, improve transferability among institutions and programs, recognize prior learning and experience, and ensure that people can get the skills they need to contribute to Alberta's economy. While good progress has been made in establishing Campus Alberta, the reality is that it can be difficult for people to move from one institution to another, particularly if they have been in the workforce for several years and want to return for further education and training. The key challenge is how to capture, recognize and make the best use of people's prior learning and experience. Post-secondary institutions currently act as the gatekeepers to further education; more needs to be done to expand their recognition of prior learning and experience as part of post-secondary program requirements to make it easier for people to complete programs on a timely basis.

Steps also should be taken to plan ahead, explore demographic and other trends in Alberta society, and take a longer term approach. This would involve providing longer term, more stable funding to post-secondary institutions so they are able to plan for and respond to changing needs in a more deliberate way.

Recommendation:

Enhance access to post-secondary education and training.

Actions should be taken to:

- Reinstate accountable funding for post-secondary institutions to increase access in priority areas. The priorities should be identified in consultation with business and industry and could include specific areas such as increasing participation in undergraduate and graduate programs, health related fields, highly skilled trades and technologies, and in other areas where there are pressing labour force shortages.

- Introduce a centralized admissions process for students applying to post-secondary institutions. This would streamline the process and improve access for students.

- Consider the viability of a "smart card" that would include information about all programs and courses completed by an individual as well as their skills and experience. These cards would build on work already underway in Alberta Learning to introduce a single identification number for students. It would help employers in matching jobs to the skills of applicants and ensure that individuals have up-to-date information about their education, training and experience. A fee could be charged to help cover the costs of providing the card.

- Maximize the use of innovative approaches to increase access to post-secondary education and training programs
    - Re-design the current apprenticeship model to make the program more flexible and more appealing to younger people
    - Significantly expand the use of e-learning to improve access to post-secondary programs and skills upgrading
    - Implement flexible approaches for fast-tracking programs in areas where there are immediate shortages, e.g. nursing, certain trades, etc.
    - Optimize the potential of SuperNet to deliver programs, courses, and continuous learning to Albertans regardless of where they live.

- Expand recognition of prior learning and experience
    - Remove barriers to transferability among post-secondary institutions and move ahead with full implementation of the Campus Alberta concept

    - Challenge post-secondary institutions to expand recognition of prior learning and experience and increase flexibility in graduation requirements to make it easier for people to complete post-secondary education

- Ensure that lack of resources is not a barrier to post-secondary education
    - Improve students' awareness of the actual costs and benefits of post-secondary education. While much of the focus is on tuition fee increases, students and their parents should have better information about the overall costs and benefits of post-secondary education. Eligibility requirements for student finance also should be reviewed to ensure the requirements do not act as a barrier to students' access to post-secondary education.

    - Promote the availability of scholarships, bursaries, loans, and remissions. Currently, a number of bursaries and scholarships go unused simply because students are unaware of their existence or their requirements and do not apply.

    - Work with private sector donors to increase the number of scholarships and bursaries.

- Consider innovative approaches such as using the tax system as an incentive to support lifelong learning for Albertans. Options such as a voucher system for post-secondary education, tax credits for tuition fees at post-secondary institutions, or for short-term, skills upgrading, e-learning, or for purchase of books and equipment should be explored.

While Alberta is facing serious labour shortages, too many Aboriginal people are unemployed and lack the education and training to participate fully in the workforce. Without the necessary education and training, Aboriginal young people face futures of limited and insecure employment. The situation is complicated by the fact that responsibilities for Aboriginal education and training are shared among Aboriginal bands, the federal government, the provincial government, post-secondary institutions, and industry. This complex web of responsibilities should not stand in the way of achieving a single goal – the full participation of Aboriginal people in Alberta's economy.

Recommendation:

Work with Aboriginal people to ensure that they have the education and skills to participate fully in Alberta's economy.

Steps should urgently be taken to:

- Ensure that more Aboriginal young people complete high school and go on to post-secondary education and training. Specifically, steps should be taken to:
    - Increase the percentage of Aboriginal students completing high school to rates that are comparable with non-Aboriginal students
    - Increase the percentage of Aboriginal students who complete post-secondary education at all levels
    - Increase the number of Aboriginal people with a trades certificate
    - Increase the number of Aboriginal teachers.

- Follow through on full implementation of the First Nations, Métis and Inuit Education Policy Framework. The Policy Framework provides a good starting point but the critical work of implementation needs to proceed on an urgent basis.

- Build on successful partnership models such as the Alberta Aboriginal Apprenticeship Program and the First Nations Trades Training Program and expand the number of trainees and apprentices involved.

It's important to make the best use of the pool of Albertans available to fill much-needed jobs in Alberta's economy, many of which are entry level positions that require only limited skills and experience. At the same time, disadvantaged people and those who are currently unemployed deserve an opportunity to get the skills they need to participate fully in Alberta's workforce.

Recommendation:

Expand opportunities for marginalized/disadvantaged Albertans to get the skills they need to rejoin the workforce.

Steps should be taken to:

- Improve employability skills of Supports for Independence clients, Assured Income Support clients, and Employment Insurance clients and expand opportunities to "earn while they learn."

The first priority should be ensuring that we have a highly skilled workforce of well-trained and educated Albertans to meet the needs of our economy, now and in the future. At the same time, Alberta has consistently welcomed people from other provinces and other countries, many of whom come here because of the business, job and career opportunities Alberta provides. As Alberta's economy grows and changes, particularly with more emphasis on knowledge-based and value-added sectors, highly skilled people from outside the province will be needed to fill the gaps and expand Alberta's workforce.

Recommendation:

Attract highly skilled people from outside Alberta and Canada to meet critical labour force shortages.

Steps should be taken to:

- Work with professional licensing bodies to decrease barriers to interprovincial movement including recognition of credentials acquired in other provinces

- Work with other provinces and the federal government to provide accurate and timely information about the labour market, skills required and opportunities

available in Alberta so that people come here with the right expectations and the right skills

- Streamline the process of evaluating and recognizing credentials, degrees and diplomas of new Canadians and provide opportunities for them to meet Alberta requirements and standards so they are able to work in the field for which they were trained.

Information suggests that Canadian businesses invest less than their counterparts in other countries in the ongoing training, upgrading and skills development of their employees. While the provincial government plays a primary role in improving access to post-secondary education and training, business and industry shoulder a major part of the responsibility for retaining their employees and ensuring they have opportunities to keep their skills up to date with a changing workplace.

Recommendation:

Expand business and industry investment in continuous learning and upgrading of their employees.

Steps should be taken to:

- Increase investment in industry-sponsored upgrading and skills development
- Work in partnership with post-secondary institutions to provide flexible programs and courses for their employees

Alberta's economy is changing and new trends both within the province and around the world will affect our economy and the demand for and supply of people in different sectors. Information on trends, labour force forecasts, and the changing dynamics of the province's economy is critical to business and industry, to post-secondary institutions, and to students thinking about future careers. Currently, related information is collected and available from a number of different government ministries but there isn't a single office that is responsible for coordinating this information across ministries.

While the most pressing issue is the current and potential shortage of skilled workers, Alberta also needs to be well prepared for changing directions to a more value-added economy and the impact that will have on Alberta's workforce. The provincial government is in the best position to coordinate this work and provide relevant and timely labour force information on an ongoing basis.

Recommendation:

Develop a proactive Alberta labour force strategy and ensure that timely and accurate information is available about trends in Alberta's labour market.

Steps should be taken to:

- Create a single office within government with responsibility for coordinating labour force information and ensuring that business and industry, post-secondary institutions, and individuals have access to credible, timely and consistent workplace, labour market and income support information
    - Build on the current ALIS system to ensure that this information is available on a single electronic database
    - Expand awareness and use of the ALIS system

- Develop a longer term labour force strategy to ensure that people make effective career decisions, business and industry have the workforce needed to compete globally, and the province has an ongoing commitment to the creation of new knowledge and continuous learning.

Concluding comments

The potential of Alberta's economy is outstanding, particularly as we move more into value-added sectors and increase our ability to compete in a global marketplace. As noted at the outset, the goal should be nothing short of the most highly skilled workforce in the world. We've called this report *"An urgent call to action"* because members of the Committee feel that unless action is taken, Alberta will fall short of achieving this goal. The weakest link is our ability to educate, train, attract and retain a sufficient supply of highly skilled people to fuel and sustain Alberta's economy. More importantly, we will not be able to ensure that young Albertans have the skills they need to make to participate and shape the future of Alberta's economy. The time to act is now.

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